THE CORPORATION OF THE

CITY OF DUNCAN

The Friendly City of the Cowichan Valley

1985

Annual

Financial Report

THE CORPORATION OF THE CITY OF DUNCAN

FINANCIAL STATEMENTS

AND

GENERAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31st, 1985

THE CORPORATION OF THE CITY OF DUNCAN

MAYORS

SINCE INCORPORATION IN 1912

K. F. DUNCAN	1912 - 1013
O. T. SMYTHE	1914 - 1916, 1923
E. F. MILLER	1917 - 1918, 1922
T. PITT	1919 - 1921
J. I MUTTER	1924 - 1928
H. F. PREVOST	1929 - 1935
J. GREIG	1936 - 1939
E. W. LEE	1940 - 1942
G. H. SAVAGE	1943 - 1946
J. C. WRAGG	1947 - 1955
J. T. DOBSON	1956 - 1967
J. W. QUAIFE	1968 - 1973
K. PASKIN	1974 - 1979
M. G. COLEMAN	1979 - 1982
D. W. BARKER	1983 -

MAYOR & ALDERMEN

1985

MAYOR

D. W. BARKER

ALDERMEN

J. KOCUREK	M. CALJOUW
B. PAYNE	J. HOMER
M. LUKAITIS	J. GILLATT

LIST OF OFFICERS

ADMINISTRATOR	P. E. (Paul) Douville
TREASURER	K. E. Belliveau
WORKS SUPERINTENDENT	A. H. Caron
BUILDING INSPECTOR/LOCAL ASSISTANT FIRE COMMISSIONER	M. C. Weld
FIRE CHIEF (VOLUNTEER)	G. A. Mackie
R.C.M. POLICE	S/Sgt. D. Johnston
MEDICAL HEALTH OFFICER	Dr. P. J. Reynolds

CITY AUDITORS

Thorne, Riddell

Chartered Accountants

SOLICITORS

Harman Wilson & Company

BANKERS

The Canadian Imperial Bank of Commerce

CONSULTING ENGINEERS

Duncan & Associates Engineering Ltd.

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Auditors' Report

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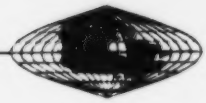
THORNE
RIDDELL

CHARTERED ACCOUNTANTS

THORNE
RIDDELL
Chartered Accountants



AUDITORS' REPORT

To the Mayor and Aldermen
The Corporation of the City of Duncan
British Columbia

We have examined the balance sheets of The Corporation of the City of Duncan as at December 31, 1985 and the statements of surplus, revenue and expenditure, equity in capital assets, capital financing and changes in fund balances for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the municipality as at December 31, 1985 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants

Victoria, Canada
February 17, 1986

STATEMENT A

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH	$ 330,785	$ 335,749
RECEIVABLES		
Property taxes	556,042	617,538
Business taxes	7,277	12,019
Federal government	1,353	921
Provincial government	7,436	4,345
School District No. 65 (Cowichan)		409
Other municipalities	635	1,635
General Capital Fund		9,568
Waterworks Utility Revenue Fund	111,885	105,068
Joint Utilities Board	8,830	4,023
Other	63,261	61,920
PREPAID ITEMS	17,633	18,184
MATERIALS AND SUPPLIES	5,578	6,010
OTHER ASSETS		
Property acquired for taxes, at cost, subject to redemption	51,669	9,549
Municipal Finance Authority Debt Reserve Fund deposits	195,013	190,075
	$1,357,397	$1,377,013

LIABILITIES	1985	1984
PAYABLES		
Cowichan Valley Regional District	$ 2,271	$ 2,920
School District No. 65 (Cowichan)	8,589	8,751
Trade accounts and accrued liabilities	163,750	166,550
Debenture principal and interest due	57	57
General Capital Fund	1,681	
Sewer Enterprise Revenue Fund	29,240	3,565
Other	291	
OTHER LIABILITIES		
Prepaid property taxes and rentals	1,734	2,158
Municipal Finance Authority Debt Reserve Fund		
Cash deposits	44,809	39,871
Demand notes (note 4)	150,204	150,204
Deposits	2,093	2,500
RESERVES		
Uncollected taxes and other receivables	488,737	533,334
Property acquired for taxes	51,669	9,549
Future expenditure	100,942	139,035
SURPLUS (Statement B)	311,330	318,519
	$1,357,397	$1,377,013

K Beckmann

Treasurer

STATEMENT B

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

STATEMENT OF SURPLUS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$ 318,519	$ 256,591
Deduct surplus appropriated for current year	60,000	
	258,519	256,591
Add surplus for the year (Statement C)	52,811	61,928
BALANCE AT END OF YEAR	$ 311,330	$ 318,519

STATEMENT C

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Taxes (Schedule 1)	$1,721,367	$1,724,484
Grants in lieu of taxes (Schedule 2)	47,369	47,939
Sales of services - garbage fees	212,768	210,910
Other revenue from own sources (Schedule 3)	464,616	409,288
Unconditional transfers from other governments (Schedule 4)	189,820	196,919
Conditional transfers from other governments (Schedule 5)	11,339	12,430
Collections for other governments (Schedule 6)	1,387,442	1,450,781
Transfers from own reserve accounts and utility (Schedule 7)	212,104	196,135
Surplus appropriated from previous years	60,000	
	4,306,825	4,248,886
EXPENDITURE		
General government services (Schedule 8)	381,021	401,096
Protective services (Schedule 9)	179,464	168,952
Transportation services (Schedule 10)	492,960	431,183
Environmental health services (Schedule 11)	216,698	212,056
Environmental development services (Schedule 12)	8,216	989
Recreation and cultural services (Schedule 13)	321,700	288,958
Debt charges (Schedule 14)	477,613	428,354
Transfers to own reserve accounts and funds (Schedule 15)	337,467	378,814
Conditional transfer to other governments Regional district	451,433	425,775
Transmission of taxes levied for other governments	1,387,442	1,450,781
	4,254,014	4,186,958
SURPLUS FOR THE YEAR	$ 52,811	$ 61,928

STATEMENT D

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
UNEXPENDED FUNDS		
Cash	$ 1,610	$ 26,316
Receivables		
General Revenue Fund	1,681	
	3,291	26,316
FIXED ASSETS		
Engineering structures	4,516,909	4,229,214
Buildings	1,359,029	1,533,266
Machinery and equipment	1,220,637	1,187,262
Land	740,207	932,207
	7,836,782	7,881,949
	$7,840,073	$7,908,265

LIABILITIES AND EQUITY IN CAPITAL ASSETS

PAYABLES		
General Revenue Fund	$	$ 9,568
LONG TERM DEBT		
Debentures (Schedule 16) (note 3)	1,998,556	2,175,395
EQUITY IN CAPITAL ASSETS (Statement E)	5,841,517	5,723,302
	$7,840,073	$7,908,265

Contingent liabilities (note 2)

Treasurer

STATEMENT E

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

STATEMENT OF EQUITY IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$5,723,302	$5,484,908
Add		
Retirement of long term debt		
Debentures	176,839	137,711
Assets acquired by transfers and donations	316,082	97,193
Interest received	294	3,490
	493,215	238,394
Deduct sale of fixed assets	375,000	
BALANCE AT END OF YEAR	$5,841,517	$5,723,302

STATEMENT F

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1985

	1985	1984
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 26,316	$ 122,827
Transfers from		
Provincial government	122,712	15,563
General Revenue Fund	152,783	48,325
Reserve Funds		
Sale of Real Property	7,287	
Machinery and Equipment		11,162
New Works	20,000	9,000
Parking Improvement	5,000	11,323
Other		
Interest received	294	3,490
Donations	8,300	1,819
Payables at end of year		9,568
	$ 342,692	$ 233,077
FINANCES APPLIED		
Payables at beginning of year	$ 9,568	$ 842
Expenditure for fixed assets (Schedule 17)	329,833	139,570
Contractors' holdback repaid		66,349
Unexpended funds at end of year	3,291	26,316
	$ 342,692	$ 233,077

STATEMENT G

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

RESERVE FUNDS

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH AND TERM DEPOSITS	$ 778,570	$ 542,876
RECEIVABLES		
Installments	3,158	6,316
Agreement for sale	241,500	
	$1,023,228	$ 549,192

FUND BALANCES

FUND BALANCES (Statement H)		
Development Fees		
Water	$ 55,245	$ 49,848
Sewer	41,518	36,731
Storm sewer	36,032	33,107
Roads	44,895	37,292
	177,690	156,978
Sale of Real Property	387,899	11,608
Machinery and Equipment	416,527	338,549
New Works	24,077	31,064
Parking Improvement	17,035	10,993
	$1,023,228	$ 549,192

Treasurer

STATEMENT H

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

RESERVE FUNDS

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 1985

	1985						1984
	Development Fees Reserve Fund	Sale of Real Property Reserve Fund	Machinery and Equipment Reserve Fund	New Works Reserve Fund	Parking Improvement Reserve Fund	Total	Total
BALANCE AT BEGINNING OF YEAR	$ 156,978	$ 11,608	$ 338,549	$ 31,064	$ 10,993	$ 549,192	$ 486,984
Add							
Interest received	13,988	8,578	32,828	3,013	1,042	59,449	52,064
Transfers from General Revenue Fund			45,150	10,000	10,000	65,150	59,640
Sale of real property		375,000				375,000	
Collections from developers	6,724					6,724	13,207
	177,690	395,186	416,527	44,077	22,035	1,055,515	611,895
Deduct							
Transfers to General Capital Fund		7,287		20,000	5,000	32,287	31,485
Refund to developers							31,218
	-	7,287	-	20,000	5,000	32,287	62,703
BALANCE AT END OF YEAR	$ 177,690	$ 387,899	$ 416,527	$ 24,077	$ 17,035	$1,023,228	$ 549,192

STATEMENT I

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH	$ 21	$ 20
RECEIVABLES		
Consumers	62,110	79,838
Provincial government	59,585	66,293
Other		2,000
MATERIALS AND SUPPLIES	41,032	36,982
OTHER ASSETS		
Municipal Finance Authority Debt Reserve Fund deposits	119,697	116,019
	$ 282,445	$ 301,152

LIABILITIES AND SURPLUS		
PAYABLES		
General Revenue Fund	$ 111,885	$ 105,068
OTHER LIABILITIES		
Municipal Finance Authority Debt Reserve Fund		
Cash deposits	33,325	29,647
Demand notes (note 5)	86,372	86,372
RESERVE FOR UNCOLLECTIBLE RECEIVABLES		28,485
SURPLUS (Statement J)	50,863	51,580
	$ 282,445	$ 301,152

Treasurer

STATEMENT J

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

STATEMENT OF SURPLUS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$ 51,580	$ 50,630
Deduct surplus appropriated for current year	17,200	10,500
	34,380	40,130
Add surplus for the year (Statement K)	16,483	11,450
BALANCE AT END OF YEAR	$ 50,863	$ 51,580

STATEMENT K

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Sale of water	$ 413,688	$ 406,967
Connection and service charges	18,947	21,964
Interest received	1,000	1,500
Conditional transfers from provincial government		
Revenue sharing grant	113,843	111,891
Insurance claim	1,642	2,000
Transfer from reserve for uncollectible receivables	30,266	
Surplus appropriated from previous years	17,200	10,500
	596,586	554,822
EXPENDITURE		
Environmental health services		
Administration	36,112	35,858
Transmission and distribution	85,063	74,603
Pumping	115,927	114,343
Customer billing and collection	36,688	35,557
Transfers to own reserve accounts and funds		
Reserve for uncollectible receivables	1,781	3,563
General Revenue Fund	52,000	52,000
Waterworks Utility Capital Fund	9,015	14,471
Debt charges		
Interest on debenture debt	162,663	164,106
Principal installments	49,220	47,778
Other debt charges	1,368	1,093
Write-off of uncollectible receivables	30,266	
	580,103	543,372
SURPLUS FOR THE YEAR	$ 16,483	$ 11,450

STATEMENT L

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY CAPITAL FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
FIXED ASSETS		
Engineering structures	$3,207,093	$3,198,077
Machinery and equipment	1,372	1,372
	3,208,465	3,199,449
Less accumulated depreciation	2,044,533	1,975,414
	$1,163,932	$1,224,035

LIABILITIES		
LONG TERM DEBT		
Debentures (Schedule 16) (note 3)	$1,163,932	$1,224,035

Treasurer

STATEMENT M

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

WATERWORKS UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1985

	1985	1984
FINANCES ACQUIRED		
Transfer from Waterworks Utility Revenue Fund	$ 9,015	$ 14,471
FINANCES APPLIED		
Expenditure for fixed assets		
Engineering structures	$ 9,015	$ 14,471

STATEMENT N

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH	$ 1,183	$ 1,088
RECEIVABLES		
Provincial government	60,830	57,880
Other municipalities		1,026
General Revenue Fund	29,240	3,565
MATERIALS AND SUPPLIES	5,983	6,228
OTHER ASSETS		
Municipal Finance Authority Debt Reserve Fund deposits	85,616	82,323
	$ 182,852	$ 152,110

LIABILITIES AND SURPLUS		
PAYABLES		
Other	$ 65	$
OTHER LIABILITIES		
Municipal Finance Authority Debt Reserve Fund		
Cash deposits	29,665	26,372
Demand notes (note 6)	55,951	55,951
SURPLUS (Statement O)	97,171	69,787
	$ 182,852	$ 152,110

Treasurer

STATEMENT O

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

STATEMENT OF SURPLUS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE AT BEGINNING OF YEAR	$ 69,787	$ 37,265
Add surplus for the year (Statement P)	27,384	32,522
BALANCE AT END OF YEAR	$ 97,171	$ 69,787

STATEMENT P

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE REVENUE FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Sewer rentals	$ 246,039	$ 245,162
Connection and service charges	6,000	4,000
Interest received	1,595	1,578
Conditional transfers from other governments		
Sewerage facilities grant - provincial government	95,342	87,957
Cost sharing - regional district and municipal government	5,017	5,082
Debt charges recovered from Joint Utilities Board	10,625	10,576
	364,618	354,355
EXPENDITURE		
Environmental health services		
Administration	21,989	21,887
Collection and disposal	50,764	45,913
Customer billing and collection	9,987	9,522
Transfers to own fund		
Sewer Enterprise Capital Fund	4,682	2,075
Joint Utilities Board	68,905	69,047
Debt charges		
Interest on debenture debt	137,393	132,573
Principal installments	43,514	40,816
	337,234	321,833
SURPLUS FOR THE YEAR	$ 27,384	$ 32,522

STATEMENT Q

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE CAPITAL FUND

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
UNEXPENDED FUNDS		
Cash and term deposit	$ 5,950	$ 5,472
FIXED ASSETS		
Engineering structures	2,738,465	2,733,783
Less accumulated depreciation	1,828,925	1,777,315
	909,540	956,468
	$ 915,490	$ 961,940

LIABILITIES

LONG TERM DEBT		
Debentures (Schedule 16) (note 3)	$ 915,490	$ 961,940

Treasurer

STATEMENT R

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

SEWER ENTERPRISE CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1985

	1985	1984
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ 5,472	$ 5,103
Transfers from		
Provincial government	6,282	
Sewer Enterprise Revenue Fund	4,682	2,075
Interest received	478	369
	$ 16,914	$ 7,547
FINANCES APPLIED		
Expenditure for fixed assets		
Engineering structures	$ 4,682	$ 2,075
Transfer to Joint Utilities Board	6,282	
Unexpended funds at end of year	5,950	5,472
	$ 16,914	$ 7,547

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia municipalities

It is the Corporation's policy to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. In line with this policy, the resources and operation of the Corporation are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The funds are as follows:

General Revenue Fund
General Capital Fund
Reserve Funds
Waterworks Utility Revenue Fund
Waterworks Utility Capital Fund
Sewer Enterprise Revenue Fund
Sewer Enterprise Capital Fund

(b) Materials and supplies

Inventories of materials and supplies are valued at cost.

(c) Reserves - General Revenue Fund

General Revenue Fund Reserves are non-statutory reserves established at the discretion of Council.

(i) The reserve for uncollected taxes and other receivables is an amount set aside for a portion of uncollected taxes and other receivables.

(ii) The reserve for property acquired for taxes is an amount set aside to offset the cost of property acquired for taxes.

(iii) Reserves for future expenditure are amounts set aside from past and current operations for future operating and capital expenditures.

(d) Fixed assets

General Capital Fund

Fixed assets are recorded at cost in the year of acquisition. No depreciation is recorded on the assets of the General Capital Fund.

Waterworks Utility and Sewer Enterprise Capital Funds

Fixed assets are recorded at cost in the year of acquisition. Depreciation is recorded annually in these capital funds at the amounts required to reduce the net carrying value of the funds' assets to equal the related outstanding debt.

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Debenture debt
Those debentures issued in U. S. funds are carried at the principal amounts payable in U. S. dollars.

(f) Debt charges
Debt charges, including principal, interest and foreign exchange, are charged against current revenue in the periods in which they are due.

2. CONTINGENT LIABILITIES

Regional District of Cowichan Valley debt is, under the provisions of the Municipal Act, a direct, joint and several liability of the District and each member Municipality within the District, including The Corporation of the City of Duncan.

3. DEBENTURES

The loan agreements with the Regional District of Cowichan Valley and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

4. DEMAND NOTES - GENERAL REVENUE FUND

Included are notes with a face value of $48,012 payable in U. S. funds.

5. DEMAND NOTES - WATERWORKS UTILITY REVENUE FUND

Included are notes with a face value of $1,480 payable in U. S. funds.

6. DEMAND NOTES - SEWER ENTERPRISE REVENUE FUND

Included are notes with a face value of $40,805 payable in U. S. funds.

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 1
TAXES		
Property taxes	$1,172,676	$1,127,220
Cowichan Valley Regional District levy	451,431	425,775
	1,624,107	1,552,995
Special assessments		
Downtown redevelopment	63,045	15,524
Utilities	34,215	32,547
Liquor		15,776
Business taxes		107,642
	97,260	171,489
	$1,721,367	$1,724,484
		SCHEDULE 2
GRANTS IN LIEU OF TAXES		
Federal	$ 8,277	$ 7,058
Provincial	33,625	35,551
British Columbia Hydro and Power Authority	5,467	5,330
	$ 47,369	$ 47,939
		SCHEDULE 3
OTHER REVENUE FROM OWN SOURCES		
Licences and permits		
Business and trade licences	$ 29,897	$ 7,603
Delivery vehicle licences	1,578	1,225
Building permits and other fees	7,802	5,833
Other	4,022	4,834
	43,299	19,495
Fines	15,149	12,180
Rentals (including equipment rentals)	158,050	154,303
Interest received	54,086	58,435
Penalties and interest on taxes	103,133	112,600
	373,717	357,013
Eagle Heights fire protection	41,568	39,379
Other	49,331	12,896
	90,899	52,275
	$ 464,616	$ 409,288

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 4
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial		
Revenue sharing grants	$ 189,820	$ 196,919
		SCHEDULE 5
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS		
Provincial government	$ 8,530	$ 10,516
District of North Cowichan	1,720	1,914
Cowichan Valley Regional District		
Grant-in-aid	1,089	
	$ 11,339	$ 12,430
		SCHEDULE 6
COLLECTIONS FOR OTHER GOVERNMENTS		
School authorities		
Non-residential school levy	$ 862,681	$ 898,524
Residential school levy	460,105	487,773
	1,322,786	1,386,297
Regional Hospital District	30,578	29,310
	1,353,364	1,415,607
Joint Boards and Commissions		
Municipal Finance Authority	474	489
British Columbia Assessment Authority	33,604	34,685
	34,078	35,174
	$1,387,442	$1,450,781
		SCHEDULE 7
TRANSFERS FROM OWN RESERVE ACCOUNTS AND UTILITY		
Reserve for uncollected taxes and other receivables	$ 72,462	$ 9,549
Reserve for property acquired for taxes	9,549	50,789
Reserve for future expenditure	78,093	83,797
	160,104	144,135
Waterworks Utility Revenue Fund	52,000	52,000
	$ 212,104	$ 196,135

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 8
GENERAL GOVERNMENT SERVICES		
Legislative		
Council indemnities and expense	$ 32,145	$ 30,963
Administrative		
Office salaries and benefits	161,340	159,595
Accounting and audit	7,000	9,600
Legal	18,274	11,879
Printing and stationery	6,311	6,047
Telephone and postage	9,063	10,785
Advertising	5,902	5,829
	207,890	203,735
Other		
Election expenses	3,224	3,418
City Hall maintenance and operation	34,894	37,643
Travel, conventions and receptions	11,986	7,990
Grants to organizations	9,475	6,645
Insurance	11,500	9,294
Equipment maintenance	248	375
Operation and maintenance - leased buildings	11,988	16,087
Retirement allowances	27,874	41,797
Senior citizen sewer and water rebates	7,523	7,204
Computer services	15,242	18,738
Sundry	7,032	17,207
	140,986	166,398
	$ 381,021	$ 401,096

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 9
PROTECTIVE SERVICES		
Fire protection		
Administration	$ 7,200	$ 7,200
Call pay	43,518	38,184
Firemen's fund and insurance	5,079	3,868
Alarm system	6,231	5,520
Fire investigation and prevention	1,183	1,001
Hydrant rental	3,126	3,126
Fire hall operation and maintenance	15,156	13,827
Equipment maintenance and supplies	17,171	19,254
Training	3,858	3,417
Grant to volunteer fire department	8,858	8,508
Other	10,976	9,254
	122,356	113,159
Emergency measures	7,885	9,877
Other protection		
Flood control	1,120	179
Animal control	8,526	8,572
Building inspection		
Salaries and benefits	36,841	35,126
Travel and transportation	1,200	1,656
Other	1,536	383
	49,223	45,916
	$ 179,464	$ 168,952

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 10
TRANSPORTATION SERVICES		
Common services		
Operation and maintenance of workshop and yard	$ 14,975	$ 13,956
Small tools and equipment	3,386	2,954
	18,361	16,910
Roads		
Administration	40,757	41,893
Engineering	4,770	4,180
	45,527	46,073
Roads and streets		
Street maintenance	40,387	32,582
Snow removal	27,149	14,571
Drainage	12,814	11,308
Sidewalk maintenance	12,917	9,626
Traffic lines and signs	21,801	21,426
Boulevards	28,744	31,844
Street cleaning and flushing	41,582	32,509
	185,394	153,866
Street lighting	58,485	57,267
Traffic maintenance and control	7,932	8,583
	66,417	65,850
Parking		
Parking lots	35,483	22,765
Parking control	42,127	40,379
	77,610	63,144
Other		
Equipment operation and maintenance	91,651	77,340
Transit subsidy	8,000	8,000
	99,651	85,340
	$ 492,960	$ 431,183
		SCHEDULE 11
ENVIRONMENTAL HEALTH SERVICES		
Garbage collection	$ 211,053	$ 206,748
Comfort stations	5,645	5,308
	$ 216,698	$ 212,056

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL REVENUE FUND

SCHEDULES OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
		SCHEDULE 12
ENVIRONMENTAL DEVELOPMENT SERVICES		
Planning and research	$ 8,216	$ 989
		SCHEDULE 13
RECREATION AND CULTURAL SERVICES		
Parks - general	$ 109,942	$ 88,809
- Joint Parks Committee	30,000	30,000
Swimming pool - Municipality of North Cowichan	131,750	125,370
	271,692	244,179
Library	45,583	41,488
Senior Citizens' Activity Centre	4,425	3,291
	50,008	44,779
	$ 321,700	$ 288,958
		SCHEDULE 14
DEBT CHARGES		
Interest on temporary borrowing	$ 3,127	$ 8,691
Interest on debenture debt	314,835	294,781
Principal installments	159,651	124,883
	$ 477,613	$ 428,355
		SCHEDULE 15
TRANSFERS TO OWN RESERVE ACCOUNTS AND FUNDS		
General Capital Fund	$ 152,783	$ 48,325
Reserve Funds		
Machinery and Equipment	45,150	44,640
New Works	10,000	10,000
Parking Improvement	10,000	5,000
	65,150	59,640
Reserve accounts		
Reserve for uncollected taxes and other receivables	27,865	161,300
Reserve for property acquired for taxes	51,669	9,549
Reserves for future expenditure	40,000	100,000
	119,534	270,849
	$ 337,467	$ 378,814

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

DEBENTURE DEBT — SCHEDULE 16

DECEMBER 31, 1985

	Amount of Issue		
	Authorized	Unissued	Outstanding
GENERAL CAPITAL FUND			
Fire hall	$ 631,606	$	$ 631,606
Civic use area	12,000		12,000
Senior Citizens' Activity Centre	11,460		11,460
City Hall renovations	354,617		354,617
Storm water drain	372,400		372,400
Street improvements	197,125		197,125
Neighborhood improvements	49,882		49,882
Core rejuvenation	369,466		369,466
TOTAL GENERAL CAPITAL FUND	$1,998,556	$ -	$1,998,556
WATERWORKS UTILITY CAPITAL FUND			
Water system	$1,163,932	$ -	$1,163,932
SEWER ENTERPRISE CAPITAL FUND			
Sewer system	$ 915,490	$ -	$ 915,490

NOTE: Included in outstanding debentures are debentures totalling $973,629 payable in United States currency and carried at par of exchange. On December 31, 1985 the rate of exchange to purchase United States currency was $1.3983 Canadian (1984 - $1.3217).

THE CORPORATION OF THE CITY OF DUNCAN

BRITISH COLUMBIA

GENERAL CAPITAL FUND

EXPENDITURE FOR FIXED ASSETS — SCHEDULE 17

YEAR ENDED DECEMBER 31, 1985

	1985					1984
	Land	Buildings	Engineering structures	Machinery and equipment	Total	Total
General government services	$	$ 1,500	$	$ 574	$ 2,074	$ 5,151
Protective services				13,751	13,751	30,377
Transportation services			116,836	16,571	133,407	98,618
Environmental health services			170,859	2,479	173,338	5,424
Recreation and cultural services		7,263			7,263	
	$ -	$ 8,763	$ 287,695	$ 33,375	$ 329,833	$ 139,570

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Auditors' Report

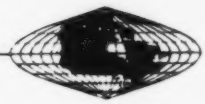
Balance Sheet

Statement of Revenue and Expenditure

THORNE
RIDDELL

CHARTERED ACCOUNTANTS

THORNE RIDDELL
Chartered Accountants



AUDITORS' REPORT

The Duncan-North Cowichan
Joint Utilities Board

We have examined the balance sheet of the Duncan-North Cowichan Joint Utilities Board as at December 31, 1985 and the statement of revenue and expenditure for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants

Victoria, Canada
February 17, 1986

DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH AND TERM DEPOSITS	$ 471,848	$ 394,410
RECEIVABLES		
District of North Cowichan	8,821	8,450
Cowichan Valley Regional District	9	78
	$ 480,678	$ 402,938

LIABILITY AND RESERVE

PAYABLE TO CITY OF DUNCAN	$ 8,830	$ 4,023
RESERVE FOR CAPITAL EXPENDITURES	471,848	398,915
	$ 480,678	$ 402,938

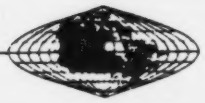
DUNCAN-NORTH COWICHAN JOINT UTILITIES BOARD

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Contributions from		
The Corporation of the City of Duncan	$ 68,905	$ 69,047
The Corporation of the District of North Cowichan	76,222	75,309
Interest received	41,026	35,757
Dumping fees	5,303	5,038
Transfer from reserve for capital expenditure	8,093	-
Provincial grant - outfall protection	6,282	-
- lagoon study	-	5,000
	$ 205,831	$ 190,151
EXPENDITURE		
Administration	$ 6,078	$ 4,380
Sewer lagoon operation and maintenance		
Lease	21,929	21,929
Power	39,273	41,312
Chemicals	4,866	5,386
Equipment and supplies	10,346	6,408
Labour	10,503	12,555
	86,917	87,590
Debt charges		
The Corporation of the City of Duncan	10,625	10,576
The Corporation of the District of North Cowichan	6,810	6,848
	17,435	17,424
Transfer to reserve for capital expenditure	81,026	80,757
Lagoon drawdown	5,999	-
Outfall protection	8,376	-
	$ 205,831	$ 190,151

THORNE
RIDDELL
Chartered Accountants



AUDITORS' REPORT

The Pioneer Complex Committee

We have examined the balance sheet of the Pioneer Complex Committee as at December 31, 1985 and the statements of revenue and expenditure for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Committee as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia municipalities applied on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants

Victoria, Canada
February 28, 1986

PIONEER COMPLEX COMMITTEE

BALANCE SHEET AS AT DECEMBER 31, 1985

ASSETS	1985	1984
CASH	$ 23,589	$ 43,639
ACCOUNTS RECEIVABLE	18,850	3,581
	$ 42,439	$ 47,220
LIABILITIES		
ACCOUNTS PAYABLE	$ 5,348	$ 13,534
RESERVE FOR CAPITAL AND EQUIPMENT REPLACEMENT	-	24,000
RESERVE FOR ACCUMULATED SICK LEAVE	10,833	-
SURPLUS	26,258	9,686
	$ 42,439	$ 47,220

Unfunded Sick Leave Liability (note)

Certified Correct

R. A. Gill,
Treasurer

PIONEER COMPLEX COMMITTEE

AQUANNIS POOL

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Contributions by Members		
City of Duncan	$ 131,750	$ 125,370
Municipality of North Cowichan	302,770	264,200
Interest Income	858	1,338
Public Swimming	80,732	87,744
Instructional Program	46,510	41,246
Recreation and Keep-Fit Program	4,957	8,168
Special Services	-	9,782
Rentals	25,875	17,070
Miscellaneous	8,859	1,671
Fitness Studio/Swim Program	11,448	7,235
Transfer from Reserve for Capital and Equipment Replacement	39,000	6,000
SURPLUS AT BEGINNING OF YEAR	5,280	14,499
	$ 658,039	$ 584,323
EXPENDITURE		
Cowichan Valley Regional District Administration and Audit Fee	$ 27,540	$ 23,800
Administration Salaries and Fringe Benefits	31,585	33,614
Telephone	1,250	1,231
Stationery, Office Supplies and Materials	3,050	1,941
Travel, Mileage, Conferences and Clinics	748	855
Insurance	3,845	2,607
Building Maintenance Salaries, Wages and Fringe Benefits	69,878	64,615
Building Cleaning, Maintenance and Repairs	12,493	20,865
Electricity	21,913	20,384
Fuel Oil	27,859	25,961
Rentals - Equipment	1,475	105
Water Treatment Chemicals	4,287	936
Equipment Maintenance and Repairs	10,942	10,288
Program Salaries, Wages and Fringe Benefits	208,681	228,905
Cashier Salaries, Wages and Fringe Benefits	58,775	38,430
Program Equipment and Supplies	6,580	4,590
Advertising and Promotion	2,728	2,087
Uniforms	3,115	1,248
B. C. Social Services Tax and Sales Taxable	(3)	589
Special Events and Sundry	566	456
Rescue and First Aid Supplies	680	398
Capital Expenditure	49,594	15,886
Debt Charges	53,362	53,362
Arbitration	3,965	-
Transfer to Reserve for Capital and Equipment Replacement	15,000	15,000
Transfer to Sick Leave Reserve	10,833	-
Extraordinary Repairs	-	6,000
Lease	8,447	4,890
SURPLUS AT END OF YEAR	18,851	5,280
	$ 658,039	$ 584,323

PIONEER COMPLEX COMMITTEE

JOINT PARKS

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUE		
Contributions by Members		
City of Duncan	$ 30,000	$ 30,000
Municipality of North Cowichan	30,000	30,000
Interest	-	988
User Fees	1,151	1,900
SURPLUS AT BEGINNING OF YEAR	4,406	4,414
	$ 65,557	$ 67,302
EXPENDITURE		
Kinsmen Park		
Operating Expenditure		
Repairs and Maintenance	$ 3,609	$ 2,138
Playground Supervision	13,544	12,947
Water and Power	142	124
	17,295	15,209
Capital Expenditure		
Addition to Existing Building	-	4,335
Repair Concrete Seams to Pool	-	209
	-	4,544
Pioneer Park		
Operating Expenditure		
Repairs and Maintenance	37,373	40,405
Water and Power	65	63
Portable Toilets	687	1,004
	38,125	41,472
Capital Expenditure		
Materials for Batters' Cage	-	828
Other		
Taxes	350	343
Audit	500	500
B. C. Winter Games	1,880	-
	2,730	843
SURPLUS AT END OF YEAR	7,407	4,406
	$ 65,557	$ 67,302

PIONEER COMPLEX COMMITTEE

AQUANNIS POOL

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

UNFUNDED SICK LEAVE LIABILITY

At December 31, 1985, the Committee had an unfunded liability for sick leave of $9,170. The funding for this liability will be provided from future operating revenues.

MAYOR & ALDERMEN

1986

MAYOR

D. W. BARKER

ALDERMEN

J. KOCUREK	D. SELLARS
B. PAYNE	J. GILLATT
M. LUKAITIS	M. CALJOUW

LIST OF OFFICERS

AMINISTRATOR	P. E. (Paul) Douville
TREASURER	K. E. Belliveau
WORKS SUPERINTENDENT	A. H. Caron
BUILDING INSPECTOR/LOCAL A_SISTANT FIRE COMMISSIONER	M. C. Weld
FIRE CHIEF (VOLUNTEER)	G. A. Mackie
R.C.M. POLICE	S/Sgt. D. Johnston
MEDICAL HEALTH OFFICER	Dr. J. P. Reynolds

CITY AUDITORS

Thorne, Riddell
Chartered Accountants

SOLICITORS

Harman Wilson & Company

BANKERS

The Canadian Imperial Bank of Commerce

CONSULTING ENGINEERS

Duncan & Associates Engineering Ltd.

THE CORPORATION OF THE CITY OF DUNCAN

GENERAL INFORMATION

DECEMBER 31st, 1985

Taxable Assessments	Municipal	Residential	Non-Residential	Hospital
1985	136,541,930	82,386,750	63,743,730	143,409,930

1985 TAX RATES

	Dollars of Tax per $1,000 Taxable Value			
	A	B		C
Property Class	General Municipal	Debt	Total Municipal	Downtown Revitaliz.
1. Residential	3.4635	1.9575	5.421	1.1300
2. Utility	10.5636	5.9704	16.5340	3.9600
3. Forestry				
4. Machinery				
5. Industrial				
6. Business	8.5223	4.8167	13.3390	.9067
7. Tree Farm				
8. Seasonal	3.4635	1.9575	5.4210	1.1300

TAX RATES FOR OTHER GOVERNMENTS

	Dollars of Tax Per $1,000 Taxable Value						
	D	E	F	G	H	I	J
Property Class	Regional 1	District 2	School Res.	School N-Res.	B.C.A.A.	M.F.A.	Hospital
1. Residenital	.3701	1.5695	5.5847		0.1420	0.0020	.1292
2. Utility	1.2954	5.4932		18.990	0.4970	0.0070	.4522
3. Forestry				21.703		0.0080	
4. Machinery		4.394		10.1280	0.3976	0.0056	.3618
5. Industrial				16.2770		0.0068	
6. Business	.9067	3.8452		13.293	0.3479	0.0049	.2939
7. Tree Farm				43.406		0.0160	
8. Seasonal	.3701	1.5695		5.426	0.1420	0.0020	.1292
9. Farm				5.426	0.1420	0.0020	

Miscellaneous Information

Total Area of Municipality	322 Hectares Land
	23.5 Hectares Water
Population (1981) Census	4,228
Road Mileage	28.2 Km.
Sanitary Sewers	28.2 Km.
Water Mains	82.0 Km.
Building Permits Issued - number	144
- value	$2,031,859.